

MEMORANDUM FOR: CIA Career Council

THROUGH: Deputy Director (Support)

SUBJECT: CIA Legislative Proposals

1. The purpose of this memorandum is to present to the Career Council additional considerations which have arisen since the preparation of our legislative proposals on 21 March 1957 (TAB A), in order to obtain an expression from the Council on the desirability or wisdom of seeking additional legislation at this time. In this respect, the responses of the Bureau of the Budget, the Civil Service Commission and the Comptroller General, as well as the current policy of the Administration and the Congress are important factors in the development of our legislative position. For the purposes of this memorandum, we will consider our proposal for liberalized retirement benefits and our other legislative proposals separately.

2. Most of our legislative proposals represent efforts on the Agency's part to obtain clear-cut legislative authority to back up internal legal and policy decisions which have been based upon reasoned legislative intent, legal interpretation of existing authorities and the adoption of authorities granted other Government departments in similar circumstances. (A summary of these actions, by programs, is contained in TAB B.) In addition, many of these proposals are contained in similar general legislative provisions which are under consideration by the Administration and which, if enacted, would include this Agency. This latter group includes: educational benefits for dependents, including travel; payment of the cost of storage of household effects; home leave benefits; additional procurement authorities and medical benefits for dependents, including travel.

legislation for all civilian Government employees serving overseas, unless the Agency can justify a special provision for a special class of employees or type of assignment.

6. It is suggested that priority consideration be given to the retirement proposal, for if we are to pursue this legislation, considerable discussion and some revision will be required.

7. With respect to the balance of our legislative program it is recommended that no action be taken unless: (1) the Administration eliminates similar general legislation from its program and, (2) we have reason to expect a more favorable reaction from the Congress than is now indicated.

SIGNED

JOHN S. WARNER
Legislative Counsel

Attachments - 3
Tabs A, B, & C

CONCUR:

STAT (p)
Director of Personnel

Distribution:

O & I - Addressee
2 - DD/S
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✓ 2 - Legislative Counsel - Subject
1 - Mr. Addicott

OGC/LC:GLC:jeb:mks (25 October 1957)

21 March 1957

A BILL

To amend the Central Intelligence Agency Act of 1949, as amended, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. Section 3 of the Act entitled the Central Intelligence Agency Act of 1949, approved June 20, 1949, as amended (63 Stat. 208, 50 U.S.C. 403a) (hereinafter referred to as "such Act"), is amended to read as follows:

"Section 3. In the performance of its functions, the Central Intelligence Agency is authorized to exercise the authorities of the Armed Services Procurement Act of 1947, approved February 19, 1948, as amended (10 U.S.C. 2301-2314).

SECTION 2. Section 5 of such Act is amended to read as follows:

"Section 5. (a) Under such regulations as the Director may prescribe, the Agency may--

- (1) utilize the authorities in Sections 901, 911, 912, 913, 933, 941, 942 and 943 of the Foreign Service Act of 1946, as amended, or as it may hereafter be amended: Provided, That the provisions of Sections 901, 912, 941 and 942 may be utilized only in respect to officers and employees assigned outside the continental United States, its

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Section shall not be reduced under the provisions of Section 9(d) of the Civil Service Retirement Act."

74B A

21 March 1957

SECTIONAL ANALYSIS OF A PROPOSED BILL
TO AMEND THE CENTRAL INTELLIGENCE AGENCY
ACT OF 1949, AS AMENDED, AND FOR OTHER PURPOSES

SECTION 1.

Under Section 3(a) of the Central Intelligence Agency Act of 1949 the Agency is authorized to exercise certain procurement authorities contained in the Armed Services Procurement Act of 1947. The specific sections of the Armed Services Procurement Act, the authorities of which CIA was authorized to exercise, were incorporated by reference in Section 3(a) of the CIA Act of 1949. Since passage of the CIA Act, additional functions have been assigned to the Agency. This, and added experience, indicate the need to exercise other authorities contained in the Armed Services Procurement Act of 1947.

Under Section 2(c) of the Procurement Act, the Armed Services may negotiate purchases and contracts without advertising in seventeen listed circumstances. The Agency is now authorized by Section 3(a) of the CIA Act to negotiate in ten of these circumstances. It is requested that the remaining negotiation authorities of Section 2(c) be given this Agency.

The Agency has substantial and vitally necessary programs in fields where research and development, standardization of equipment and provision of new or stand-by production facilities are necessities.

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amount of annuity is provided, not as a special reward for the type of service involved, but rather because a more liberal formula is usually necessary to make the earlier retirement, with resultant shorter service, economically feasible.

TABLE

STATUS OF EMPLOYEE BENEFIT PROGRAMS

1. Educational Benefits for Dependents Including Travel

CIA paid for schooling on the basis of cover prior to 10 July 1955.

Since 10 July 1955 CIA has adopted:

- a. Section 901 (1)(IV) of the Foreign Service Amendments of 1955 concerning elementary and secondary schooling abroad (see FR 20-610, 23 Feb. '56).
- b. Section 911 (9) of Foreign Service Amendments of 1955 concerning the transportation of dependents in foreign areas to and from the U. S. for secondary and college education, (5 July 1956)
- c. Such transportation for (1 Sept. 1956).

25X1

2. Storage of Household Effects

CIA has authority in Section 5(a)(1)(D) of P. L. 110 to pay for storing furniture, etc. where the employee cannot take or use the furniture because of emergency conditions.

CIA has adopted:

- a. Authority to pay for the storage of household effects in foreign areas in nonemergency areas (5 July 1956).
- b. Same authority with respect to employees on (1 Sept. 1956)

25X1

3. Home Leave

CIA has authority in Section 5(a)(3)(A) of P. L. 110 for so-called home leave but this provides only a travel authority.

We do not have Foreign Service Act and Act of 1951.

- b. **Section 942(a) of Foreign Service Act providing for payment of travel expenses to hospital and return where necessary in case of illness or injury of dependent incurred while located abroad.**

ILLEGIB

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Section 9(e) of the Civil Service Retirement Act is amended by inserting after the figure "6(c)" the words "or 6(g)."

The people at the working level submitted two alternative drafts, one of which reads as follows:

Draft B

"The Director shall establish and administer an independent retirement and disability system for employees of the Central Intelligence Agency in accordance with the provisions of the Foreign Service Act."

Draft C

Section 6 of the Civil Service Retirement Act is amended by adding at the end thereof the following new subsection:

"(g) Any employee of the Central Intelligence Agency who (1) is a citizen of the United States, (2) has had at least ten years of service in a foreign country or in the Trust Territories of the Pacific, of which at least two years have been within the six-year period immediately preceding separation, (3) has been an employee of the Central Intelligence Agency during at least five years of each service, and (4) attains the age of fifty years and completes twenty years of service, may, if the head of his agency approves, voluntarily retire from the service and be paid an annuity computed as provided in section 9."

Section 9(e) of the Civil Service Retirement Act is amended by inserting after the figure "6(c)" the words "or 6(g)."